



Treasury Financial Manual

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ANNOUNCEMENT

The Financial Management Service (FMS) is in the process of working with all agencies required to perform the Federal Agencies Centralized Trial Balance System (FACTS) data verification to reconcile net position.¹ To properly account for changes in net position in the Financial Report for the United States Government, Fiscal 1999, it is essential that the ending net position for each agency included in the fiscal 1998 financial report is reconciled to fiscal 1998 agency financial statements. Such reconciling items generally result from:

- Adjustments to agency financial statements made after the final FACTS data was submitted but before audited agency statements were issued, or
- Unreconciled differences reported in FACTS verifications for audits that were completed on time.

This reconciliation is part of our ongoing effort to work together to make incremental progress toward an unqualified audit opinion for the Financial Report of the United States Government.

Please be aware that since these adjustments are being identified after publication of the fiscal 1998 consolidated Financial Report of the United States Government, FMS will analyze the adjustments and determine how they will be reported in the fiscal 1999 report. To facilitate this process, all adjustments should be submitted by September 9, 1999, to be processed by FMS.

FMS and our contractors are working to identify the differences between the 1998 FACTS data and the agency's audited financial statements. All affected agencies will be contacted to work with us to identify and confirm these adjustments. Agencies should immediately start the process of identifying these transactions in anticipation of a call from FMS and the contractor.

When the agencies and FMS complete the adjustments necessary to update or correct the 1998 FACTS data, each agency's Chief Financial Officer (CFO) will receive a package from FMS with supporting documentation for all adjusting entries. After review and concurrence, the CFO must sign an acknowledgment indicating their agreement for FMS to input these journal entries.

¹ Agencies not required to verify their financial statements for FMS should contact their FMS representative on 202-874-9910 for any adjustments. These adjustments are necessary if the agency financial statement net position did not agree with its FACTS transmission.

Subsequently, these entries will adjust the 1998 FACTS submission at the fund-group level. After the adjustments have been made, FMS will send a final adjusted trial balance and a Statement of Operations and Changes in Net Position for verification to the agency CFO. All FMS reports generated for verification will be at the department level. Verification by the CFO is due within 1 week of receipt. The CFO must sign a verification sheet confirming that the amounts in these final reports are the same as the amounts in the agency's audited financial statements.

Since this is a critical process, all agencies and departments must:

- Carefully review and understand the adjustments made for 1998.
- Ensure these adjustments are complete before submitting the 1999 FACTS trial balances to FMS.

For agencies whose audit is still ongoing, the reconciliation process will start as soon as the audit is complete.

Direct questions or comments concerning this announcement to:

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